

QUEENS SUPREME COURT – CIVIL TERM FORECLOSURE AUCTION RULES

An Auction will not go forward if it is not on the Auction Calendar.

All auctions will be in accordance with these rules:

All foreclosure auctions will be held in accordance with the Unified Court System Safety and Operational Protocols.

1. Location: Foreclosure auctions will be conducted and supervised by the Court-Appointed Referee on the Courthouse steps of the Queens Supreme Court, located at 88-11 Sutphin Boulevard, Jamaica, New York.

2. Day and Time of Sale: Auction sales will be held weekly on Fridays, commencing promptly at 10:00 a.m. The properties will be auctioned in staggered sessions. The sessions will be held at 10:00 a.m., 11:00 a.m., and 12:00 p.m. There will be no more than sixteen (16) properties (4 every 15-minute interval) auctioned per session. The Court will establish and maintain a special "Auction Calendar". This calendar will contain specific times available for auctions.

No auction shall be scheduled by the parties unless they have confirmed the availability of a time slot with the Foreclosure Department of this court. The Referees and plaintiffs' representatives are directed as follows:

YOU MUST CONTACT THE FORECLOSURE DEPARTMENT AT gscforeclosureauctions@nycourts.gov PRIOR TO SCHEDULING YOUR AUCTION TO CONFIRM THE AVAILABILITY OF THE DATE AND TIME AND TO ENSURE THAT THE CASE IS PLACED ON THE CALENDAR. FAILURE TO ADHERE TO THIS REQUIREMENT WILL RESULT IN THE AUCTION BEING RESCHEDULED AT THE SCHEDULING PARTY'S EXPENSE, INCLUDING PUBLICATION COSTS.

3. Closing and Deed Transfer: Except where the successful bidder is a remote bidder (see section 9, below), following the auction, the successful bidder will deposit at least 10% of the sale price in certified funds, made payable to the Referee, with the Referee. The balance of the funds, along with the transfer of title documents, will occur at such location as determined by the Referee, or at such other place as agreed upon by the parties in writing, within

the time limits specified in the Terms of Sale. All participants in the closing must comply with any rule, regulation, or order in effect at the time of closing. Should a bidder fail to comply, the Referee may cancel the closing and hold the bidder in default.

4. Publishing and Posting: A summary of these special policies and procedures shall be included in the public notices published and posted pursuant to RPAPL §231.

5. Auction Policies: Until further notice, every Judgment of Foreclosure of Sale and In Rem Judgment shall contain a decretal paragraph directing the Referee in a mortgage foreclosure action or the Petitioner in an In Rem tax foreclosure proceeding to comply with the Eleventh Judicial District's Policies concerning Public Auctions of foreclosed properties.

6. Calendars of scheduled foreclosure auctions will be accessible through E-Courts.

7. Every Judgment of Foreclosure and Sale shall include the following language:

"ORDERED, that the Referee shall comply with the Eleventh Judicial District's Policies concerning Public Auctions of foreclosed properties, including the new policy authorizing remote bidding. If the Referee is unwilling or unable to comply with such provisions, including but not limited to the ability to accept wire transfers, the Referee shall notify the court immediately. These policies, along with the Queens County Foreclosure Auction Rules, can be found on the Queens Supreme Court - Civil Term website."

8. Additional General Provisions:

- The Terms of Sale, including any known encumbrances, must be posted outside forty-five (45) minutes prior to the commencement of the Foreclosure Auction.
- The Court-Appointed Referee shall conduct and supervise the foreclosure auction. All interested parties including a representative of the plaintiff, authorized to act on behalf of the plaintiff, must be present at the auction. **The Referee must submit a completed affidavit immediately following the auction (see Referee Affirmation under "Forms" at Home page on the court's website).**
- If a Court-Appointed Referee is unable to act pursuant to Part 36 or is otherwise unavailable, the Appointing Court must promptly be petitioned for the appointment of a substitute Referee.
- **If a Court-Appointed Referee does not appear for a scheduled Foreclosure Auction, the Foreclosure Auction shall be cancelled** and plaintiff's counsel or the Court-Appointed Referee shall contact the Court to obtain the new date and time on which the subject property will be rescheduled for Auction by filing a subsequent Request to File a Notice of Sale.
- **Notice of cancellation for any reason must be filed with the County Clerk's Office no later than the day of the scheduled auction.**

- **Necessary Bank substitutions must be made prior to scheduling the auction.**
- Referees will only accept a certified bank check made payable to the Referee. All bidders must have proof of identification and will be required to stand and state their name at the time the bid is made, except remote bidders (see section 9).
- A successful bidder must have in his/her possession at the time of the bid the full 10% of the sum bid, in certified bank check to be made payable to the Referee, except any successful remote bidder (see section 9).
- A **Foreclosure Action Surplus Monies Form** (see Surplus Monies Form under “Forms” at Home page on the court’s website) must be completed for **ALL Foreclosure Auctions (regardless of the surplus status)** by the Referee conducting the sale, plaintiff’s representative and the purchaser for all auctions resulting in a potential surplus at the auction and **submitted immediately following the auction**. Failure to do so may result in the preclusion of scheduling future auctions.
- Within **thirty days (30)** after completing the sale and executing the proper conveyance to the purchaser, the Referee conducting the sale **must** file with the clerk his/her report under oath of the disposition of the proceeds of the sale, accompanied by the vouchers of the persons to whom payments were made (RPAPL §1355). If the Report of Sale is not filed with the County Clerk’s Office within **ninety (90) days** of sale, the Referee must submit via email to gscforeclosureauctions@nycourts.gov : the caption, index number, date the auction was held, and a detailed reason why the Report of Sale and surplus monies, if any, have not been deposited with the County Clerk’s Office.
- Bidders are cautioned that the failure to pay the full purchase price bid and appropriate closing costs at a closing to be scheduled within thirty (30) days following the auction may result in the forfeiture of the 10% deposit.
- If the successful bidder defaults in concluding the transaction at the purchase price, he/she may be liable for the difference if the property is subsequently sold at auction for a sum which is inadequate to cover all items allowed in the Final Order and Judgment.
- It is the responsibility of the bidder to acquaint himself/herself with the property, any encumbrances thereon, and the Terms of Sale before placing a bid and to be certain that adequate funds are available to make good the bid. The failure of the successful bidder to complete the transaction under the terms bid may result in the bidder’s preclusion from bidding at auction for a period of sixty (60) days.

9. Remote Bidding

- Pursuant to Administrative Order 90/23, the Unified Court System has approved a technology-assisted process that will allow remote bidding by persons not physically present at auctions. Remote bidding will be available **ONLY** for properties where the foreclosing party has engaged such a remote bidding technology provider to provide foreclosure sale marketing and auction services.
- Plaintiff may retain the services of a remote bidding technology provider only for those properties scheduled to be auctioned on or after September 8, 2023.

- All auctions will still take place in person, on courthouse grounds, and will still be conducted and supervised by the Referee.
- When contacting the foreclosure department (gscforeclosureauctions@nycourts.gov) to schedule an auction date, the Referee and/or plaintiff's representative must also notify the court whether the plaintiff intends to retain a remote bidding technology provider.
- In those cases where a remote bidding provider has been retained, a representative thereof will appear at the courthouse for the auction and shall be permitted to use an electronic tablet to collect, verify, and relay bids in real time during the auction.
- After an auction has been completed, if the highest bid is from a remote bidder, the Referee shall defer collection of a deposit so long as the remote bidding provider provides proof of sufficient funds thereof. This proof of funds can be in the form of a winning remote bidder's escrow account statement as of the date of the auction. The deposit MUST then be transferred into the Referee's trust account within one (1) business day of the conclusion of the auction. The Referee shall make available their wire transfer information to the remote bidding provider for this purpose.
- After an auction has been completed, if the highest bid is from a remote bidder, the remote bidding provider shall assist in facilitating the winning bidder's execution of the Terms of Sale, Memorandum of Sale, and Surplus Monies Form within one (1) business day of the auction and return such documents to Referee.